

Is France jettisoning neoliberalism?

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I watched a series of news broadcasts last night, all of which referred to what is now being called a polycrisis in France. As a consequence, the thought occurred to me that France might be leading the world into the end of neoliberalism. It took very little time to reproduce the data quoted on Channel 4 News, and to find some background support for my thinking. Over the next two hours, this post developed.

There are moments when a political and economic system reaches the end of its useful life, and I wonder whether France is approaching one of them now. My question is, in that case, a straightforward one: will France be the first major European country where neoliberalism collapses?

I am not suggesting that this will happen tomorrow, nor am I suggesting that France is about to abandon capitalism. My argument is different. France increasingly appears to be reaching the point where the demands made by the neoliberal economic order are incompatible with what its population is willing to tolerate. That is potentially much more important.

France has been pursuing what has been, in essence, a familiar neoliberal programme under Emmanuel Macron. Taxes on business and wealth have been reduced or reformed. Labour markets have been liberalised. The retirement age has been increased. Public spending has been constrained. Competitiveness has been prioritised. And the assumption was that growth would follow.

It has not. The [European Commission](#) expects French GDP growth of just 0.8 per cent in 2026 and 1.1 per cent in 2027. It forecasts unemployment rising from 7.7 per cent in 2025 to 8.7 per cent in 2027. Meanwhile, the government deficit is forecast at 5.1 per cent of GDP this year and 5.7 per cent next year, with government debt exceeding 120 per cent of GDP, compared to 102 per cent in the UK.

France is consequently subject to the European Union's [Excessive Deficit Procedure](#).

The EU expects France to reduce its deficit and constrain expenditure growth. That, however, creates an obvious problem. The neoliberal reforms have not delivered sufficient growth to resolve France's fiscal problems, but because they have not done so, France is now being told that it needs more fiscal restraint. Let me be blunt: that is neoliberalism prescribing more neoliberalism to cure the failure of neoliberalism.

Every sign is that the French are not accepting this. The current protests are ostensibly about schools. Students, teachers and parents were initially protesting about missing teachers, deteriorating buildings, long school days, and inadequate resources, but these protests are taking place alongside wider public-sector opposition to government spending cuts, and the protests have now seemed to merge and embrace broader themes. More than 250,000 people [were reported](#) to have demonstrated across France on 6 October.

It is possible to ask whether this is turning into protests like those in France in the summer of 1968, but the comparison should not be pushed too far because history does not repeat itself that neatly. But it would also be foolish to ignore it. The events of May 1968 began with students, but they did not remain a student protest. As appears to be the case in France yesterday, workers joined in, which led to factories being occupied and millions going on strike. Estimates differ, but somewhere between seven and ten million workers ultimately stopped work at that time, and [much of France was paralysed](#).

That said, de Gaulle fought back and dissolved parliament and won the subsequent election convincingly. Superficially, therefore, the establishment won, but that interpretation misses the point. France had demonstrated that there were limits to what its people would accept, and French society was permanently changed by what happened.

That history matters now because France retains something that neoliberalism has spent decades trying to destroy elsewhere: which is a widespread belief that people have the right to resist economic arrangements imposed upon them. It still appears that the French do not necessarily accept that financial markets have the final word, that a government deficit means hospitals, schools, pensions and wages must be cut, or that the interests of bondholders take precedence over those of the population.

The evidence of recent weeks, which many commentators have noted, suggests that substantial numbers of French people are not going to back down quietly when told that deteriorating public services are the unavoidable price of satisfying financial markets. That creates a real crisis because France's government is being squeezed between its population, the European Union's fiscal rules, the bond markets and pressure from the far-right.

Those pressures point in opposite directions. The markets demand reassurance and the European fiscal framework demands consolidation, while large numbers of French

people are demanding functioning public services and resisting further austerity. All three demands cannot necessarily be satisfied simultaneously. That is why this is much more than another French budget crisis. It is potentially a crisis of the economic model itself.

There is one thing that is certain, and that is that the far right cannot solve this. There is a chance that France could elect them to office. In support of their campaign, Marine Le Pen is attempting to present Rassemblement National as fiscally responsible, proposing €140 billion of net savings by 2032 compared with 2026. She is also, according to [the Financial Times](#), suggesting constitutional rules requiring continuing deficit reduction.

But that does not resolve the contradictions in French society, or the opposing demands. It intensifies it. If the French people are already resisting cuts to public services, wages and social provision, a far-right government attempting an even larger fiscal contraction would face exactly the same economic constraint and potentially much greater social opposition to that which Macron's successive governments face now.

Le Pen could blame immigrants, Brussels, the left, public-sector workers or even the protesters themselves, but none of those things would alter the underlying economic problem. The reality is that, as the protesters correctly point out, France needs investment, functioning public services, decent wages, housing, education, healthcare and the resources required for the climate transition. A government promising simultaneously to satisfy the bond markets, cut the deficit dramatically and respond to widespread dissatisfaction with deteriorating public provision would eventually encounter crises for all those reasons.

There would, in fact, be another problem. A far-right government confronting mass resistance would face an increasingly stark choice between abandoning its economic programme and attempting to impose it through greater coercion. Neither provides the basis for a stable political settlement, and neither answers France's underlying economic problems.

So let me go back to 1968, and the riots of that year, which I just about recall. France did not overthrow capitalism then, and de Gaulle survived the immediate crisis, but the events demonstrated something important. When enough people withdraw their consent from an economic and political order, the supposedly immutable rules governing that order suddenly become remarkably negotiable. In France it would appear that a remnant of the sentiment remains.

The argument is, however, no longer principally about the deep social conservatism of Gaullist France. The argument now is about neoliberalism: the claim that financial markets must be appeased, that government budgets must satisfy arbitrary fiscal rules, that public spending must be cut when those rules are breached, and, above all, that

there is no alternative.

Behind all those claims lies a much bigger question about who gets to decide. Is it the French state, the French people, the European Commission, the European Central Bank or the bond markets?

France has an additional difficulty because it does not issue its own currency. Monetary sovereignty ultimately rests with the eurosystem, not the French government. That makes the confrontation potentially more dangerous because the institutional mechanisms available to a sovereign currency-issuing government are not available to France on the same terms.

As a result, I think that what is happening in France now matters. The crisis might look like a dispute about budgets, schools, pensions or government debt, but is it really?. The question underneath all those disputes is much bigger, and is can French democracy continue to tolerate an economic system that repeatedly tells people that, whatever they vote for, financial markets must ultimately get their way?

The French have a long history of answering questions like that in the streets as well as at the ballot box. What is happening now is not 1968, but the echoes are impossible to ignore. The crucial similarity is not the particular demands being made but the possibility that a large part of French society might simply refuse to accept the limits that the established economic and political order says must constrain it.

If the French refuse to back down, while neither the neoliberal centre nor the far right can produce an economically and politically sustainable answer to their demands, something eventually has to give. My suspicion is that it will not be the French people. My question is whether neoliberalism will be jettisoned instead.